

Emergency Cash Transfer in Malawi and Zambia (ongoing programmes).

The basic elements of the programme

- Emergency cash transfer programmes in Zambia and Malawi to respond to crop failure in 2004-05 that was projected to cause acute food insecurity in 2005-06.
- Projects started in November 2005 and will go to March 2006.

How many people it targeted

- 4000 households in Malawi, but scaling up to 6,000
- Currently at 11,100 households in Zambia but scaling up to 13,500

How much cash was provided

- In Malawi 2,500 Malawi Kwacha per household, in Zambia 90,000 Zambian Kwacha or 20 dollars and 26 dollars at current exchange rates
- Value of cash was set to enable household to purchase a WFP food ration of 50 kg of maize, 5 kg of pulses and one litre of oil as in both cases neighbouring areas are getting food aid so there was a need to be "fair". As well, this amount gives a household about 2/3 of kcal needs which is an appropriate ration size.

How it was delivered

- In Malawi the cash transfer mechanism is modelled on what is used to pay rural civil servants like teachers and Ag extension officers. Oxfam GB engaged a police escort in a hired vehicle to follow our vehicle that carried the cash and programme staff. At the pay point the Oxfam GB accounts staff and programme staff set up cash desks and paid households according to the registration sheets (similar sheets as used for food aid). Relief committees organize people in groups of 12 as per one payment sheet. Head cashier gives money equivalent to one sheet and the next bunch only after the previous sheet is retired. Each beneficiary is issued with a registration card that has accountability, prevention of sex exploitation and HIV/AIDs awareness and prevention messages printed at the back. Briefing of community prior to distribution includes accountability issues and quick question and answer session.
- In Zambia Oxfam GB signed a MoU with Standard Chartered Bank who in turn contracted a local security company. Oxfam GB gives the money to the bank. The bank transfers it to their Mongu branch. Tellers pack it into envelopes. Each morning the security company arrives at bank with armed policeman to collect cash. Bank tellers and Oxfam GB programme and one accounts staff travel to the field in Oxfam GB vehicles. The cash (all packed in envelopes) is handed to bank representatives. 2-3 cash desks are set up manned by a combination of Oxfam staff and bank staff. Relief committee members organize beneficiaries into queues and help check identities. Cash is given out on presentation of an identity card according to the registration list.

Initial findings/issues

First full distribution in Zambia completed mid-December. Post distribution monitoring is underway.

Zambia

- The biggest problem the programme has faced is getting the bank to work with the same urgency, as we would like. The first full distribution was delayed several times and there have been many cancellations. The security company has also been problematic as they have been slow to get the right vehicles.
- The terrain is difficult – very bad roads and rivers to cross; stuck vehicles have led to distributions finishing late.
- Confusion on role of the "deputy". This is supposed to be a person assigned to receive the cash if the head of household is unable to come. It can be a member of the same household or not and is meant to ensure very old or chronically ill people do not have to walk a long distance to fetch the cash. Not understanding this, some deputies have been demanding a half share of the

transfer. And one or two area level relief committees have been signing up deputies with the instruction that they will get half the distribution as a way of registering more households in their community. We think we have caught the most egregious cases by households reporting such actions to the ward level relief committee who in turn has reported it to us, but highlights the fact that constant sensitisation about the cash and mechanisms for disbursement must be done.

- People like getting the cash. In one community (with some tricky politics) some food aid was brought and community members came to our office to tell us they didn't want the food aid, it should be taken away, they only wanted the cash. They were worried we wouldn't bring the cash if we knew there was food aid.

Malawi

- Cash distribution mechanism works more smoothly because Oxfam GB has more control and because the terrain is not as difficult. People are also more used to aid and committees better understand their responsibilities. Banks are within 80 km of the furthest payment. Being a pilot the programme is concentrating on one geographical location. Use of Oxfam staff has enhanced control and speed of distributions with internal financial systems being used for accountability and reconciliation.

Main results of the post distribution monitoring:

- 80% of the cash transfer is spent on food, predominantly maize.
- The remaining 20% is spent on fertilizer and healthcare. The rains have been good so far and so any shortfall in harvest is likely to come from lack of inputs. Many farmers cannot afford seeds and fertilizer. The fertilizer purchased from this programme is sourced from a government subsidy programme targeted at the most vulnerable.
- Beneficiaries have a choice of source for maize – local traders, who are nearby but charge high prices and the state-owned depots, which are further away (around 3 hours walk). Around half the beneficiaries are choosing to walk further to buy maize at the state depots, where they can source maize, which is 3 times cheaper than the private market.
- Many of the beneficiaries are grandmothers looking after grandchildren whose parents have died of HIV. This raises an additional question of the suitability of cash as an instrument for the elderly and chronically sick. This needs further investigation (because of the additional burden to source food after collecting the money).